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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

14 August 1952

SUBJECT: NIE-35/2: Probable Developments in Indochina
(Draft for Board Consideration)

THE PROBLEM

To estimate French and Chinese Communist capabilities and probable courses of action with respect to Indochina and the internal situation throughout Indochina. NOTE: The estimate on the tactical military situation will run through mid-1953. However, attention will be given on a longer range basis to Vietnamese developments and French capabilities and intentions.

CONCLUSIONS

1. The outlook in Indochina through mid-1953 is for continued stalemate, with both sides playing a waiting game. We believe that the French Union forces may make some slight territorial gains, but will not score a decisive victory during this period.

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2. We believe that France will continue its war effort in Indochina, but will attempt to reduce its commitments in Indochina by transferring a progressively larger part of the economic and military burden of the war to the US and the UK, and by developing native forces in Indochina which can eventually free French troops for duty elsewhere. France will seek to maintain a holding action, both militarily and politically, and will avoid undertaking any aggressive military action which might, in the French mind, entail serious risk of provoking a Chinese Communist intervention in force anywhere in Southeast Asia.

3. We estimate that given a continuance of the present situation in Korea or the conclusion of a cease-fire agreement, the Chinese Communists will not invade Indochina during the coming year. We are unable to estimate what effect the expansion of the Korean conflict into a general Far Eastern war would have on Chinese Communist intentions in this respect.

4. We believe that the Chinese Communists will increase the scale of their present assistance to the Viet Minh, but will almost certainly not be able to provide the Viet Minh with sufficient support to insure a decisive victory in Indochina.

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5. The longer term outlook in Indochina is for a continued stalemate. The continuation of this stalemate, together with the difficulties which France will continue to face in supporting major military efforts in both Europe and Indochina and which the Associated States will face in gaining political^{and military}/strength, will gradually weaken the French Union's ability and determination to continue resistance in Indochina.

DISCUSSION

I. THE CURRENT SITUATION

1. Since the publication of NIE-35/1: "Probable Developments in Indochina through Mid-1952" dated 3 March 1952, there has been no major change in the disposition or relative strength of the French-Indochinese and Viet Minh forces. French-Vietnamese forces engaged in extensive clearing operations in the Tonkin Delta area during the spring months of 1952; since that time seasonal rains have brought a greatly reduced level of combat activity in Tonkin, where _____ Franco-Vietnamese regular troops currently confront an estimated _____ Viet Minh regular troops. Elsewhere in Indochina, the Viet Minh continue to conduct guerrilla warfare and have maintained sufficient pressure against French Union forces to prevent

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the transfer of those troops to Tonkin. The Viet Minh for the most part still control those large areas of Indochina held at the time of publication of NIE-35/1.

2. The French Union forces have made a slight gain over the Viet Minh in overall combat effectiveness. The increased effectiveness displayed by Viet Minh first-line units during the Hoa Binh campaign of early 1952 has not been evident in subsequent operations within the Delta by second-line Viet Minh units. French Union forces are now clearly superior to the Viet Minh in unit fire-power and materiel, a gain attributable principally to the fact that the flow of Chinese Communist materiel to the Viet Minh has been matched and is now far outweighed by the continued delivery to French Union forces of US MDAP equipment.

3. Chinese Communist logistic support to the Viet Minh appears to vary from month to month. During the last quarter of 1951 the Viet Minh are believed to have received about 2000 tons of supplies. The flow of assistance fell considerably below this level in the first quarter of 1952, and despite an apparent increase since May 1952, the level of aid has not yet reached that of late 1951. Chinese Communist support, except for a few recent border forays carried out by minor Chinese Communist forces, appears still to be

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limited to logistice, technical, and advisory assistance. US aid to the French Union forces, in addition to a great qualitative superiority, is now flowing at a quantitative level believed to be approximately ____ times as great as that being given the Viet Minh by the Chinese Communists.*

4. Within Viet Minh-controlled territory, shortage of food appears to be the principal problem facing the regime (DRV, or Democratic Republic of Vietnam), but the Viet Minh is resorting to imports of food from Communist China and rice raids into the Tonkin Delta in order to meet DRV minimum requirements. The Viet Minh is experiencing difficulty in exploiting its manpower potential (approximately half the population of Tonkin, Annam, and Cochin China), but appears to be replacing its combat losses. Viet Minh morale during the present period of relative inactivity is difficult to assess. There have been reports of lowered morale among rank and file Viet Minh military forces, but morale among higher

* As of 30 April 1952, a total of about \$347,000,000 had been expended by the US for military aid to Indochina (in addition to \$46,000,000 in economic assistance in FY's 1951 and 1952). Among the items shipped have been 657 combat vehicles, ____ aircraft, 5,565 trucks, 78,713 small arms and automatic weapons (including 1,464 rocket launchers), 1,400 mortars and artillery pieces, 18,000,000 rounds of ammunition of all types, 260,000 rockets and mines, and 3,869 radio sets.

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military and political echelons is believed to be good. Whatever the state of morale, effective Communist control over Viet Minh-held territory is being maintained. There is no evidence of serious friction between the Viet Minh and the Chinese Communists.

5. Within the Associated States, the only significant change in the political situation has occurred in Cambodia, where political instability has sharply increased in recent months; the Cambodian wartime Premier, Song Nogoc Thanh, has denounced the regime and fled the country; King Norodom Sihanouk has dismissed Premier Huy Kanthoul and has personally assumed direction of the government; and guerrilla activities by the Viet Minh and by dissident tribal groups have continued. Within Vietnam, the most important of the Associated States, a new government headed by Premier Nguyen Van Tam has recently taken office. Thus far there has been no visible improvement in the overall political situation, and at present those factors discussed in NIE-35 which hinder the development of a strong Vietnamese government still apply.

II. FRANCO-INDOCHINESE CAPABILITIES AND PROBABLE COURSES OF ACTION

6. If France maintains its present war effort in Indochina, the capability of the French Union forces to resist Communist military pressure will probably improve slightly during the next year,

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largely as a result of the assimilation of US MDAP aid and the development of experienced native military units and leadership. Barring a Chinese Communist intervention in force, the French Union forces should be able to hold their present positions during this period and to control the Tonkin Delta areas more firmly by the end of 1953. The offensive capability of these forces may be sufficient to permit forays outside the Tonkin perimeter designed to destroy Viet Minh military concentrations. French Union forces will not, however, have the capability to gain and maintain effective control over major areas of Viet Minh-held territory during the period of this estimate.

7. We believe that there will be little or no improvement in political strength within the Associated States in the foreseeable future. In Vietnam, the people will probably continue to be apathetic toward the Bao Dai regime. The Vietnamese do not recognize much of a personal stake in the war effort and apparently mistrust French motives more than they fear danger from the Communists. An increase in Vietnamese political stability and in public support for the war effort could be expected if the military situation should greatly improve for the French Union forces, and if Premier Tam should be able to carry out his proposed economic and political reforms. No developments now in prospect, however, promise such

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improvement. Political instability will probably continue in Cambodia. No significant changes are foreseen in Laos, the most isolated and stable of the Associated States.

8. We believe that future developments in Indochina will be primarily determined by the capabilities and intentions of metropolitan France. We further believe that the considerations impelling France toward limiting its commitments in Indochina are, on balance, stronger than those inclining France toward maintaining its present commitments there. The continuing drain of the Indochina war is seriously limiting France's capability to meet its NATO obligations and to maintain a power position on the continent equal to that of Germany. After an exhausting six-year struggle in Indochina, France is now confronted by a simultaneous increase of the costs of the Indochina war and a decrease in economic returns from Indochina. The financial cost of the Indochina war is currently almost 1/3 of the total French military budget. In terms of professional military manpower needed for NATO, the cost is even greater. This manpower expenditure, taken together with a general French apathy toward French Union affairs and a legal prohibition against the use of French conscripts in Indochina, makes it virtually impossible for France to increase appreciably its manpower commitment for Indochina.

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9. We believe that France will continue its war effort in Indochina during the coming year, but, influenced by the above considerations, France will pursue the following course in Indochina:

a. France will attempt to reduce its commitments by transferring a progressively larger part of the economic and military burden of the war to the US and the UK.

b. France will attempt to reduce its commitments by developing native forces in Indochina which can eventually free French troops for duty elsewhere. However, the continuing lack of political dynamism and initiative in the Associated States and the many difficulties which the native armed force programs will encounter will prevent the French from actually shifting any significant burden of the defense of Indochina to the Associated States during the coming year.

c. France will at the same time seek to maintain a holding action, both militarily and politically. France will avoid undertaking any aggressive military action which might, in the French mind, entail serious risk of provoking a Chinese Communist intervention in force anywhere in Southeast Asia. While maintaining this static position, France will hope to gain an eventual solution to the Indochina problem which, in the French mind, can only be achieved within the context of an overall political settlement in the Pacific.

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III. VIET MINH AND CHINESE COMMUNIST CAPABILITIES AND COURSES OF ACTION

10. Assuming a continuation of present Chinese Communist support, the Viet Minh will probably not be able to increase materially its strength or effectiveness during the coming year. The armed forces of the DRV will probably launch new frontal attacks on the French defense perimeter in Tonkin as soon as the present rainy season ends, but unless Chinese Communist troops move into Indochina in force, the Viet Minh will not be able to achieve a decisive victory in Tonkin or elsewhere in Indochina. The Viet Minh will probably be able to continue successfully their tactics of harassment, infiltration, terrorism and guerrilla warfare.

11. The Chinese Communists will probably be able during the coming year to continue improvement of transportation facilities and airfields in south China, to continue stockpiling along the Indochina border, and to increase their present level of logistic support for the Viet Minh. The Chinese Communists will almost certainly not be able, however, to provide the Viet Minh with sufficient logistic support to insure a decisive victory in Indochina. So long as the war in Korea continues, heavy commitments in Korea will probably prevent the Chinese Communists from materially increasing their technical advisory assistance to the Viet Minh. They

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will also probably not be able to go beyond their present capability, independent of operations in Korea, to commit and support logistically 150,000 Chinese Communist troops for an invasion of Indochina.

12. A Chinese force of 150,000, added to those of the Viet Minh, would probably be able to force French Union units to evacuate Tonkin before any effective assistance could be brought to bear. The Chinese Communists now have, and will continue to have during the coming year, sufficient air strength in jet and piston aircraft, independent of operations in Korea, to enable them to launch damaging attacks against French Union installations in Tonkin, and, with surprise, to neutralize the French Air Forces in Tonkin. There is no reliable evidence, however, that the Chinese Communists have yet begun the necessary preparations in south China to permit the commitment of the CCAR to operations in Indochina.

13. The Chinese Communists might risk invasion of Indochina during the coming year in any one of a number of circumstances: in the event of a global war or an expanded war in Korea; in the event Chinese Communist forces in Korea were set free for aggressions elsewhere in Asia as a consequence of a Korean cease-fire agreement; or in the event that Communist leadership should decide that the security of Communist China was endangered by anticipated Western action.

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14. We believe, however, that given a continuance of the present situation in Korea or the conclusion of a cease-fire agreement, the Chinese Communists will not invade Indochina during the coming year. Although the Chinese Communists probably have the capability successfully to invade Indochina, present evidence does not indicate that such an invasion is imminent. Moreover, other considerations militate against a direct intervention by the Chinese Communists.

a. Present Communist strategy in Indochina, while not bringing immediate victory, appears nevertheless to be yielding considerable political success in both Indochina and the non-Communist world. At the same time, this strategy is diverting badly-needed French and US power from Europe with relatively little cost to the Communists. Furthermore, present Communist policy may weaken the determination and ability of both the French and the Indochinese to continue resistance, thus providing the Communists with an opportunity for aggravating differences among the Western powers.

b. Recent Western moves have probably made world Communist leadership aware that the West, and in particular the US, may expand the war in Asia to the Chinese mainland if Communist China should invade Indochina. Any such awareness is probably somewhat offset by Communist recognition of divided

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opinions in the non-Communist world as to the merits and timing of such retaliation. On balance, however, concern that the war in Asia might be expanded and that drastic retaliatory action might be taken against the mainland of China is probably sufficient to be a major factor dissuading the Chinese Communists from openly intervening in force in Indochina.

c. Despite the importance of Indochina to the Communists, it is not likely that its present economic and strategic importance to Peiping and Moscow is great enough to dictate a large-scale Chinese Communist invasion with a possible risk of initiating general war.

d. Although a cease fire in Korea would give Communist China a vastly increased capability to invade Indochina, domestic requirements and concern over Western retaliation would probably outweigh pressures to undertake at once another military adventure.

15. We believe that the Chinese Communists will, short of open intervention, continue to support the war effort of the DRV, thus exerting constant pressure against the Associated States. The Chinese Communists will also continue to commit technical and advisory personnel to the Viet Minh. They may commit small combat units to localized border actions and may introduce "volunteer" troops

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elsewhere in Indochina. We estimate that the probable desire of the Chinese Communists not to provoke major Western counteraction against mainland China will, during the coming year, restrain them from committing "volunteers" in numbers that would assure a decisive military victory for the Viet Minh.

16. We are unable to estimate what effect the expansion of the Korean conflict into a general Far Eastern war would have on Chinese Communist intentions with respect to Indochina.

IV. PROBABLE OUTLOOK

17. Consequently, through mid-1953 the probable outlook in Indochina is for continued stalemate, with both sides playing a waiting game. We believe that the French Union forces may make some slight territorial gains, but will not score a decisive victory during this period.

18. The longer term outlook is for a continued stalemate, even though there may be some increase in the relative strength and effectiveness of the French Union forces. Unless present trends are reversed, this continued stalemate, together with the difficulties which France will continue to face in supporting major military efforts in both Europe and Indochina and which the Associated States will face in gaining political and military strength, will gradually weaken the French Union's ability and determination to continue resistance in Indochina.

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